

## NTTC TYPE DESCRIPTIONS <sup>1</sup>

**TYPE 2** certificates may be executed:

- 1) By manufacturers for the purchase of tangible personal property that will become an ingredient or component of the manufactured product. (7-9-46)
- 2) For the purchase of tangible personal property or licenses for resale either alone or in combination with other tangible personal property or licenses in the ordinary course of business. (7-9-47)
- 3) By a lessee for the lease of tangible personal property or licenses for subsequent lease in the ordinary course of business, except for the lease of furniture or appliances, the receipts from the rental or lease of which are deductible under Subsection C of Section 7-9-53, the lease of coin-operated machines, and for the purchase of manufactured homes as defined in Section 7-9-3(G). (7-9-50)
- 4) For the purchase of tangible personal property or licenses for subsequent lease in the ordinary course of business, except for the lease of furniture or appliances, the receipts from the rental or lease of which are deductible under Subsection C of Section 7-9-53; the lease of coin-operated machines, and for the purchase of manufactured homes as defined in Section 7-9-3(G). (7-9-49)
- 5) By a person who is licensed to practice medicine, osteopathic medicine, dentistry, podiatry, optometry, chiropractic or professional nursing for the purchase of prosthetic devices. (7-9-73)

**TYPE 5** certificates may be executed:

- 1) For the purchase of services for resale if the subsequent sale by the buyer is in the ordinary course of business **and** the subsequent sale of the service is subject to gross receipts tax or governmental gross receipts tax. (7-9-48)
- 2) By manufacturers for the purchase of services performed directly upon tangible personal property they are in the business of manufacturing or upon ingredient or component parts thereof. (7-9-75) Formerly Type 13.
- 3) For the purchase of aerospace services for resale if the subsequent sale by the buyer is in the ordinary course of business and the services are sold to a 501(c)(3) organization, other than a national laboratory, or to the United States (7-9-54.1)

**TYPE 6** certificates may be executed by a construction contractor to purchase:

- 1) Construction materials that will become ingredients or components of a construction project that is either subject to gross receipts tax upon completion or that takes place on Indian tribal territory. (7-9-51) Enter your contractor's

license number on the application or submit proof that such a number is not required.<sup>2</sup>

- 2) Construction services to be performed on a construction project that is either subject to gross receipts tax upon completion or that takes place on Indian tribal territory. (7-9-52) Enter your contractor's license number on the application or submit proof that such a number is not required.<sup>2</sup>

**TYPE 9** certificates may be executed for the purchase of tangible personal property only and may not be used for the purchase of services, for the lease of property or to purchase construction materials for use in construction projects (except as provided in #2 below). The following may execute Type 9 NTTCs:

- 1) Governmental agencies. (7-9-54)
- 2) 501(c)(3) organizations. (7-9-60) These organizations register with the Taxation and Revenue Department and submit proof of Internal Revenue Service 501(c)(3) nonprofit determination before they may execute Type 9 NTTCs. Those 501(c)(3) organizations that are organized for the purpose of providing homeownership opportunities to low-income families may purchase construction materials incorporated into these construction projects.
- 3) Federal or state-chartered credit unions. (7-9-54 and 7-9-61.2)
- 4) Indian tribes, nations or pueblos when purchasing tangible personal property for use on Indian reservations or pueblo grants. (7-9-54)

**TYPE 15** certificates may be executed by qualified federal contractors on a contract-by-contract basis. A copy of the federal contract is required. The Taxation and Revenue Department may contact you for additional information.

**TYPE 16** certificates may be executed by:

- 1) Qualified film production companies to purchase property, lease property or purchase services. A qualified production company must submit proof of registration with the New Mexico Film Division of the Economic Development Department. (7-9-86)
- 2) Accredited diplomats or missions for the purchase of property or services or the leasing of property. (7-9-89)

**TYPE NTTC-OSB** certificates may be executed by OUT-OF-STATE BUYERS for the purchase of tangible personal property that will be resold or become an ingredient or component of a manufactured product, or for services performed on a manufactured product. **Type NTTC-OSBs must be obtained by the seller.**

<sup>1</sup> Type 2, 5 and 5 certificates are also optional forms of documentation for other gross receipts tax deductions. For more information on the use of different types of NTTCs please see publication FYI-204: Nontaxable Transaction Certificates online at [http://www.tax.state.nm.us/trd\\_pubs.htm](http://www.tax.state.nm.us/trd_pubs.htm) or request it from your local district tax office.

<sup>2</sup> Proof that a construction contractor's license is not required includes a detailed written statement explaining the circumstances that exclude the contractor from the jurisdiction or application of New Mexico statutes which provide for construction contractor's licensing and regulation of construction activity.